

CAPITAL IMPROVEMENTS PROGRAM

Introduction

The Capital Improvements Program, or CIP, is a financing and construction/acquisition plan for projects that require significant capital investment. The CIP, which is updated annually and submitted to and adopted by City Council, specifies and describes the City's capital project schedules and priorities for the ten years immediately following Council adoption.

For each capital project, the CIP includes a variety of information, including a project description and the service need it addresses, a proposed timetable, proposed funding levels and sources and, if applicable, estimated ongoing operating costs. For projects already underway, the description also notes the remaining portion of the project's budget.

Generally, capital improvements projects consist of purchasing, constructing or renovating structures and/or acquiring land that have a total cost of at least \$100,000 and an estimated useful life of at least ten years. Common CIP projects include new or improved sidewalks, roads, neighborhood renewal projects and new City facilities, such as recreation centers, fire stations and water treatment facilities.

CIP Preparation

Departments annually submit capital projects for consideration and inclusion in the CIP. For FY 12-13, the City Manager's Office assembled a Capital Improvements Committee made up of staff members from multiple City departments for the purpose of facilitating a more holistic and comprehensive approach to capital planning. Projects funded with authorized bonds were scored by the CIP committee based on a list of criteria to determine which projects were most closely tied with the goals and high-level indicators as set in the City's Management, Accountability, and Performance (MAP) program. The results of this scoring process were then presented to City departments for feedback.

In the future, the CIP committee will use a similar process to rank all CIP projects to develop priorities for various funding sources and to identify which projects should be addressed in future referenda. In addition, this committee will make

recommendations on unplanned project requests that arise outside of the typical CIP process.

After projects are reviewed by City staff, a preliminary CIP is presented to the City Council and the Planning Board as part of the annual budget review. A Final CIP is presented to the City Council in June and is adopted concurrently with the Annual Operating Budget.

Neighborhood organizations have the opportunity to submit project requests for consideration in the Capital Improvements Program as part of the Neighborhood Small Projects Program. Submissions are initially forwarded to the appropriate City department(s) to determine if they are feasible and to see that they are not contrary to current City policies. The projects are then reviewed by an Interdepartmental Team consisting of representatives from several City departments as well as citizen representatives. The recommendations and comments returned by the review team are sent to the requesting organization and presented to the City Council and Planning Board. Funding for these projects must be approved annually.

Relationship to Annual Operating Budget

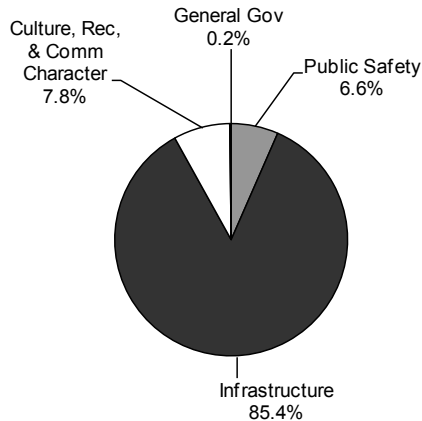
Some CIP projects are funded through annual operating funds, such as the General Fund (Capital Reserve Fund) and the Water Resources Fund. In these cases, the CIP and the Annual Operating Budget are directly linked as CIP projects become authorized through the adoption of the Annual Operating Budget. Projects funded through debt financing (typically voter authorized bonds) also impact the operating budget through ongoing debt service expense. Finally, some completed CIP projects will directly impact the operating budget in that they will require ongoing expenses for staff and other operating costs. Fire stations and recreation facilities are good examples.



Expenditure Overview

The FY 2013-2022 Capital Improvements Program (CIP) totals **\$914,674,666**

Expenditures by Result Area



Highlights

The Infrastructure Result Area equals \$781.1 million or 85.4% of total proposed CIP spending over the next ten years. Consisting of Engineering & Inspections, Field Operations, Planning and Community Development, Transportation, Coliseum, and the Water Resources departments, the Infrastructure Result Area is significantly larger than the other Result Areas.

With total projected capital expenditures over the next ten years totaling \$480.9 million, Water Resources represents 62% of total Infrastructure projects. Water and sewer projects planned to be underway in FY 12-13 include biological nutrient removal at the Osborne Treatment Plant, the Hilltop Road Lift Station Replacement, Rock Creek Lift Station and Force Main, Stewart Mill Lift Station and Force Main, and the Pleasant Garden Loop Water Line. These projects are in addition to ongoing water and sewer line expansion/renovation and various projects at the water and wastewater treatment plants.

Transportation projects totaling \$153.1 million make up 20% of the Infrastructure Result Area. Projects planned for FY 12-13 include Fleming

Road Connector, High Point Road Streetscape, Horsepen Creek Road, Downtown Greenway, Alamance Church Road, Florida Street Extension, and the Cone/Nealtown Road extension. There is also funding programmed for general sidewalk improvements and street maintenance.

Coliseum projects total \$75 million over the ten year planning period. These projects include \$24 million in general improvements to be made to the coliseum complex and \$51 million for a new Performing Arts Center. Other Infrastructure needs include \$6.6 million in Engineering & Inspections projects for facilities maintenance and \$19.7 million in Planning and Community Development projects.

Field Operations estimates spending \$45.7 million over the next ten years on street, sidewalk, and bridge maintenance and has immediate needs for partial closure of Phase III of the Landfill and closure of Phase II of the C&D Landfill.

Culture, Recreation, and Community Character is the second largest Result Area, containing \$71.6 million in Parks and Recreation and Libraries projects over the next 10 years. The Northeast Branch Library will be under construction over the next year along with various neighborhood park renovations. However, of the \$71.7 million programmed for Parks and Recreation and Libraries projects, \$55.4 million are unfunded requests that will be considered for future bond referenda.

The Public Safety Result Area includes \$59.9 million in projects making up 6.6% of the total CIP. Most of the Public Safety projects (\$41.8 million) are Fire related projects. Construction should begin on the Reedy Fork Fire Station in FY 12-13. Fire also has approved funding for construction of one other station as well as a second unit at the Mt. Hope Church Road Station, the purchase of new air packs for firefighters, and the renovation of some older stations. In addition, there may be a need for five new stations on a future referendum. Another major Public Safety project is the 800MHZ radio system upgrade and replacement for Guilford Metro 911.

Funding Overview

The Capital Improvements Program relies on a variety of funding sources to accomplish its many efforts. These include debt financing; enterprise funding; general fund revenues; state shared revenues; and grants from the state government, federal government, or private sources.

Highlights

The City issued \$40 million of Authorized Bonds in February 2012 for the Northeast Branch Library, Reedy Fork Fire Station, Economic Development, Street Improvements, Parks and Recreation projects, and the Natural Science Center. Of the \$150 million that remains, there are \$116.8 million for Street Improvements, \$11.4 for Parks and Recreation projects, \$9.7 million for the Natural Science Center, \$9.4 million for Fire, and \$2.7 million for Economic Development and Housing projects. As directed by City Council, current plans are for these bonds to be issued over the next seven years so that debt service payments do not impact the tax rate.

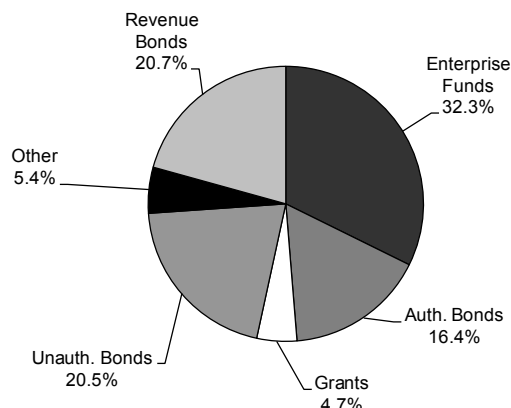
Given the current debt issuance plan, there are no immediate plans for a future referendum. Therefore, most of the project requests for Unauthorized Bonds are found in the final five year period of the document (FY FY 17-22). This document includes \$187.9 million in Unauthorized Bonds requests. It should also be noted that this figure does not include any of the Transportation needs not covered through the 2008 bond referendum.

Over the next ten years, the City will continue its efforts to fund a significant portion of Water Resources projects using Pay-As-You-Go funding (Enterprise Funds). Water Resources expects to fund nearly \$291.8 million in projects over the next ten years with Enterprise Funds, allowing the department to save on interest expenses and improve its position with bond rating agencies. In addition, Water Resources estimates spending \$189.1 million in Revenue bonds over the next 10 years. When combined, Revenue Bonds and Enterprise Funds constitute the largest source of funds in the CIP at \$484.5 million or 53.0% of total CIP funding. (This figure includes \$3.6 million in Enterprise Funding for Guilford Metro 911).

Total Grants funding in the CIP equates to \$42.9 million. It should be noted that within this document, the definition of Grants is expanded to include any funding received from the State or Federal Government. State Powell Bill funding is one example. During the 10 year planning period, it is estimated that Grants will be used to fund \$10 million in Street Maintenance, \$5.7 million in Community Development projects, and \$27.3 million in Transportation projects.

Finally this CIP includes \$49.7 million categorized at Other Revenue. Examples of Other Revenue include private donations and financing through Certificates of Participation.

Funding Sources



**CITY OF GREENSBORO
CAPITAL IMPROVEMENTS PROGRAM SUMMARY
FY 2013—2022**

EXPENDITURES	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-22	TOTAL
Culture, Recreation, & Comm. Character	4,663,239	984,952	2,937,395	3,692,074	4,034,826	55,377,209	71,689,695
General Government	0	0	2,000,000	0	0	0	2,000,000
Infrastructure	77,118,725	128,537,050	109,107,636	105,808,737	88,109,716	272,389,059	781,070,923
Public Safety	3,596,033	4,834,413	5,135,572	7,500,000	4,590,033	34,257,997	59,914,048
TOTAL	85,377,997	134,356,415	119,180,603	117,000,811	96,734,575	362,024,265	914,674,666

FUNDING SOURCES	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-22	TOTAL
General Fund	0	0	0	0	0	0	0
Enterprise Funds	21,492,234	26,011,789	28,084,471	21,209,601	26,090,623	172,545,150	295,433,868
Grants	13,760,131	11,917,516	5,470,000	2,500,000	4,300,000	5,000,000	42,947,647
Authorized Bonds	22,464,346	20,490,264	28,734,286	24,774,094	22,856,359	30,235,488	149,554,837
Unauthorized Bonds	3,870,000	34,319,000	0	7,500,000	0	142,243,627	187,932,627
Unauthorized Bonds 2	0	0	0	0	0	0	0
Revenue Bonds	7,322,000	15,662,846	49,611,846	61,017,116	43,487,593	12,000,000	189,101,401
Other	16,469,286	25,955,000	7,280,000	0	0	0	49,704,286
TOTAL	85,377,997	134,356,415	119,180,603	117,000,811	96,734,575	362,024,265	914,674,666

CAPITAL PROJECT STATUS REPORT - MARCH 31, 2012

The following information is provided by the City's Financial and Administrative Services Department and provides a status for various capital projects that have active appropriations.

**CAPITAL PROJECT STATUS REPORT
AS OF March 31, 2012**

	<u>APPROPRIATIONS (AS AMENDED)</u>	<u>TOTALS</u>	<u>UNCOLLECTED/ UNENCUMBERED BALANCE</u>
Street & Sidewalk Capital Project (401):			
Receipts	\$ 29,933,496	\$ 7,427,748	\$ 22,505,748
Disbursements/Obligations	29,933,496	10,462,461	19,471,035
State Highway Capital Project (402)			
Receipts	8,670,542	8,225,472	445,070
Disbursements/Obligations	8,670,542	5,698,166	2,972,376
General Capital Improvements (410)			
Receipts	3,902,253	3,794,358	107,895
Disbursements/Obligations	3,902,253	3,072,854	829,399
Public Improvement Bond Series 03 (441) Streets			
Receipts	76,803,194	77,482,806	(679,612)
Disbursements/Obligations	76,803,194	69,277,502	7,525,692
Public Improvement Bond Series 03 (442) Public Transp.			
Receipts	2,000,000	2,043,192	(43,192)
Disbursements/Obligations	2,000,000	1,603,035	396,965
Public Improvement Bond Series 03 (443) P&R			
Receipts	34,200,000	34,257,264	(57,264)
Disbursements/Obligations	34,200,000	30,766,993	3,433,007
Public Improvement Bond Series 05 (448) Redevelopment			
Receipts	3,093,554	3,136,409	(42,855)
Disbursements/Obligations	3,093,554	2,726,798	366,756
Library Facilities Bond Fund Series 08 (451)			
Receipts	8,612,000	5,508,355	3,103,645
Disbursements/Obligations	8,612,000	4,832,297	3,779,703
Historical Museum Bond Fund Series 08 (452)			
Receipts	5,300,000	5,753,376	(453,376)
Disbursements/Obligations	5,300,000	4,475,774	824,226
Parks & Recreation Bond Fund Series 08 (453)			
Receipts	5,000,000		5,000,000
Disbursements/Obligations	5,000,000		5,000,000
Economic Development Bond Fund Series 08 (454)			
Receipts	10,000,000	6,166,003	3,833,997
Disbursements/Obligations	10,000,000	3,989,380	6,010,620
Fire Station Bond Fund Series 08 (455)			
Receipts	24,500,000	11,231,896	13,268,104
Disbursements/Obligations	24,500,000	10,407,311	14,092,689
Public Buildings Bond Fund Series 08 (461)			
Receipts	1,000,000	1,083,180	(83,180)
Disbursements/Obligations	1,000,000	1,000,000	
War Memorial Stadium Bond Fund Series 08 (462)			
Receipts	1,500,000	1,624,777	(124,777)
Disbursements/Obligations	1,500,000	89,760	1,410,240



CAPITAL PROJECT STATUS REPORT - MARCH 30,2012

(Continued)

Street Improvements Bond Fund Series 10 (471)			
Receipts	134,000,000	2,751,060	131,248,940
Disbursements/Obligations	134,000,000	1,547,133	132,452,867
 Parks & Recreation Bond Fund Series 10 (472)			
Receipts	8,000,000	980,144	7,019,856
Disbursements/Obligations	8,000,000	565,314	7,434,686
 Housing Bond Fund Series 10 (473)			
Receipts	1,000,000		1,000,000
Disbursements/Obligations	1,000,000		1,000,000
 Nat Science Ctr Bond Fund Series 10 (474)			
Receipts	20,000,000	6,045,018	13,954,982
Disbursements/Obligations	20,000,000	5,735,000	14,265,000
 Water Resources Capital Improvements Fund (503)			
Receipts	62,547,389	59,586,772	2,960,617
Disbursements/Obligations	62,547,389	51,658,405	10,888,984
 County Construction Projects (504)			
Receipts	13,441,980	5,998,835	7,443,145
Disbursements/Obligations	13,441,980	8,761,504	4,680,476
 Stormwater Capital Improvements (506)			
Receipts	11,417,385	12,165,839	(748,454)
Disbursements/Obligations	11,417,385	4,253,867	7,163,518
 Water Resources Bond Series 2007 (512)			
Receipts	49,500,000	49,731,764	(231,764)
Disbursements/Obligations	49,500,000	47,136,581	2,363,419
 Water Resources Bond Series 2009 (513)			
Receipts	55,078,440	55,198,684	(120,244)
Disbursements/Obligations	55,078,440	52,455,574	2,622,866
 Water Resources Bond Series 10 (514)			
Receipts	20,965,455	20,965,456	(1)
Disbursements/Obligations	20,965,455	20,753,387	212,068
 Coliseum Improvements Fund (524)			
Receipts	14,552,178	14,597,980	(45,802)
Disbursements/Obligations	14,552,178	14,496,917	55,261
 P&R Fac. Bond Fund-Aquatics Center 10 (525)			
Receipts	19,820,687	12,330,041	7,490,646
Disbursements/Obligations	19,820,687	19,294,487	526,200
 Parking Facilities Cap Project Fund (545)			
Receipts	280,000	210,037	69,963
Disbursements/Obligations	280,000	227,050	52,950
 Solid Waste Capital Improvement (554)			
Receipts	6,242,050	6,378,539	(136,489)
Disbursements/Obligations	6,242,050	5,713,351	528,699
 GTA Multi-Modal Center (566)			
Receipts	51,000	9,277	41,723
Disbursements/Obligations	51,000	9,277	41,723